



PredPol Predictive Policing Software as a Service Subscription Agreement

This Subscription Agreement ("**Agreement**") between PredPol, Inc., a California corporation, with offices at 2801 Mission Street, Suite 2803, Santa Cruz, CA 95060 ("**PredPol**") and The City of Merced ("**Client**"). This Agreement is effective when signed by both Parties (the "**Effective Date**"). This Agreement governs Client's access to and use of the PredPol's technology services.

1. Definitions. (for terms that may appear either in this Agreement or in an attachment hereto)

- A) "Admin Account(s)" means the administrative account(s) provided to Client by PredPol for the purpose of administering the Services. The use of the Admin Account(s) requires a password, which PredPol will provide to Client.
- B) "Administrators" mean the Client-designated technical personnel who administer the Services to End Users on Client's behalf.
- C) "Affiliate" means any entity that directly or indirectly controls, is controlled by, or is under common control with a party.
- D) "Brand Features" means the trade names, trademarks, service marks, logos, domain names, and other distinctive brand features of each party, respectively, as secured by such party from time to time.
- E) "Confidential Information" means information disclosed by a party to the other party under this Agreement that is marked as confidential or would normally be considered confidential under the circumstances. Client Data is Client's Confidential Information. Confidential Information does not include information that: (a) the recipient of the Confidential Information already knew; (b) becomes public through no fault of the recipient; (c) was independently developed by the recipient; or (d) was rightfully given to the recipient by another party.
- F) "Client Data" means data, including crime data, provided, generated, transmitted or displayed via the Services by Client or End Users.
- G) "Data Pipe" means the server software used by PredPol to extract crime data from Client's RMS, encrypt it, and send to the PredPol servers to use to deliver the Service.
- H) "Emergency Security Issue" means either: (a) Client's use of the Services in violation of the Acceptable Use Policy, which could disrupt: (i) the Services; (ii) other Client's use of the Services; or (iii) the PredPol network or servers used to provide the Services; or (b) unauthorized third party access to the Services.
- I) "End Users" means the individuals Client permits to use the Services.



- J) "End User Account" means a PredPol-hosted account established by Client through the Services for an End User.
- K) "Fees" means the amounts invoiced to Client by PredPol for the Services as described in the Statement of Work.
- L) "Initial Services Term" means the term for the applicable Services beginning on the Service Commencement Date and continuing for the duration of the Initial Services Term as set forth in the Statement of Work.
- M) "Intellectual Property Rights" means current and future worldwide rights under patent law, copyright law, trade secret law, trademark law, moral rights law, and other similar rights.
- N) "RMS" means Records Management System database, an agency-wide system that provides for the storage, retrieval, retention, manipulation, archiving, and viewing of information, records, documents, or files pertaining to law enforcement operations.
- O) "Service Commencement Date" is the date upon which PredPol makes the Services available to Client. This date will follow receipt of the year one payment and is dependent upon Client taking the necessary steps as defined in this Agreement and the Statement of Work to enable PredPol to setup the Services.
- P) "Services" means the applicable PredPol product or service, as described in this Agreement or the Statement of Work.
- Q) "Services Term" means the applicable Initial Services Term and all renewal terms for the applicable Services as set out in the Statement of Work.
- R) "Statement of Work" means one or more fully-executed statements containing the terms and conditions for the provision of Services to or for the benefit of a specific Client.
- S) "Subscription Terms" means the order document reflecting the financial terms of the subscription, including: (i) the Services being ordered; (ii) Fees; and (iii) Initial Services Term.
- T) "Suspend" means the immediate disabling of access to the Services, or components of the Services, as applicable, to prevent further use of the Services.
- U) "Term" means the term of the Agreement, which will begin on the Effective Date and continue until the earlier of (i) the end of the Services Term or (ii) termination date of the Agreement (or Statement of Work) as set forth herein.

2. Product and Payment.



Product. In consideration of the pricing and other obligations described herein, Client shall receive PredPol Services that are focused on crime predictions by shift, day, and location, including, but not necessarily related to, property crime, assault, and robbery.

Client shall receive PredPol Services for the Services Term set forth in the Statement of Work, executed by the Parties and attached hereto. The Subscription Terms, including the Fees that Client agrees to pay for PredPol Services, are as described in the Statement of Work.

- A) *Payment*** The first payment is due thirty days after this Agreement is executed. The Client will be invoiced annually after the first payment. Fees for orders where PredPol issues an invoice are due upon Client's receipt of the invoice and are considered delinquent thirty days after the date of the applicable invoice. Payments shall be made in U.S. Dollars by either wire transfer or check.
- B) *Commencement of Service.*** The Service Commencement Date is the date upon which PredPol makes the Services available to Client. This date will follow receipt of the Year One payment and depends on the Client taking the necessary steps as defined in the Statement of Work to enable PredPol to set up the Services.
- C) *Invoices.*** Each year PredPol shall furnish to Client an original invoice for all services to be delivered in an upcoming contract year. The first invoice shall be issuable upon full execution of this Agreement. Client will make all required payments to PredPol within thirty (30) days of receipt of PredPol's invoice.
- D) *Revising Rates.*** Rates may not be changed during the Initial Services Term of this Agreement without consent of both Parties. Following the end of the Initial Services Term, PredPol may revise its rates by providing Client written notice (which may be by email) at least thirty days prior to the effective date of the revision.
- E) *Delinquent Payments.*** Delinquent payments shall bear interest at the rate of one-and-one-half percent per month (or the highest rate permitted by law if less) from the payment due date until paid in full. Client will be responsible for all reasonable expenses (including attorneys' fees) incurred by PredPol in collecting such delinquent amounts except where such delinquent amounts are due to PredPol's billing inaccuracies.

3. Term

- A) *Term.*** This Agreement will remain in effect for the Term as laid out in the Statement of Work, as attached hereto as Ex. A, and incorporated herein
- B) *Renewal.*** The renewal process is laid out in the Statement of Work.

4. Services.



- A) License to Use.* Client shall be licensed and authorized to use the Services as provided as a SaaS (software as a service). The license is non-transferable, non-assignable and non-exclusive.
- B) Facilities and Data Transfer.* Facilities used to store and process Client data will adhere to security standards no less protective than the standards used for PredPol's own information and shall be compliant with applicable laws.
- C) Modifications to the Services.* PredPol may make commercially reasonable changes to the Services. If PredPol materially changes the Services, PredPol will inform Client in writing.
- D) Retention.* PredPol will have no obligation to retain archived Client data.

5. Additional Client Obligations.

Client agrees to provide the information and take the steps requested by PredPol to facilitate setup and implementation of the Services.

- A) License to Use Client Data.* Client understands and agrees that Client is solely responsible for ensuring it has all rights in or to the Crime Data as necessary to upload the Crime Data to the System as provided for without violation of any laws, regulations or guidelines, or any privacy or property rights of any third parties. In connection with such Data, Client hereby represents and warrants that:
 - (i) Client owns, or otherwise has the necessary licenses, rights, consents, and permissions under all intellectual property and/or proprietary rights in Crime Data to enable inclusion and use of the Crime Data by PredPol and its agents in the manner permitted by this Agreement.
 - (ii) PredPol's receipt and/or storage of such Data on the System pursuant to this Agreement, do not and will not: (a) infringe, violate, or misappropriate any third-party right, including any copyright, trademark, patent, trade secret, moral right, privacy right, right of publicity, or any other intellectual property or proprietary right; (b) slander, defame, libel, or invade the right of privacy, publicity or other property rights of any other person; or (c) violate any applicable law, regulation or guideline.
 - (iii) Client retains ownership at all times of the Application Data, provided that Client hereby grants to PredPol and its agents the right to use, store, reproduce, and otherwise possess and utilize the Application Data in connection with and as reasonably necessary for PredPol to provide the Services to Client hereunder, and to disclose Crime Data to its officers, employees, agents, consultants, contractors and representatives for the purposes of performing Services for the Client.
- B) Additional Obligations.* The Client also agrees to: a) Support testing of new features/tools; b) Contribute to requested case studies; and c) Provide user feedback.



- a. Client shall (i) obtain access to the Internet at Client's expense from a provider selected by Client so that Client can communicate with the System, (ii) select, obtain and maintain all equipment necessary to permit Client to communicate with the Web based interfaces of the Software. PredPol will have no obligations with respect to any hardware, software, or services chosen and/or used by Client to access the Client Installation. PredPol will not have any liability if Client is unable to access or utilize the Client Installation due to a fault or failure in any such hardware, software and/or services.
 - b. Client shall provide access for the Data Pipe to the Client's server which houses applicable crime data. Client shall ensure their server is running at all times and communicate any pertinent changes to their server or database to PredPol in a timely manner.
- C) **Compliance.** Client will use the Services in accordance with this Agreement, the Statement of Work and all applicable laws.
- D) **Login IDs and Passwords:** Client is solely responsible for monitoring and protecting the confidentiality of all Login IDs and Passwords issued to it and its End Users.
- E) **Client Administration of the Services.** Client may specify one or more Administrators with the rights to administer the End User Accounts. Client is responsible for: (a) maintaining the confidentiality of the password and Admin Account(s); (b) designating individuals authorized to access the Admin Account(s); and (c) ensuring activities that occur in connection with the Admin Account(s) comply with this Agreement. Client agrees that PredPol's responsibilities do not extend to Client's internal management or administration of the Services.
- F) **Unauthorized Use.** Client will use commercially reasonable efforts to prevent unauthorized use of the Services and to terminate any unauthorized use. Client will promptly notify PredPol of any unauthorized use of or access to the Services of which it becomes aware.
- G) **Restrictions on Use.** Unless PredPol specifically agrees in writing, Client will not, and will use commercially reasonable efforts to make sure a third party does not: (i) intentionally store or send software viruses, worms, Trojan horses or other harmful computer code, files, scripts or programs; (ii) modify any software programs on the System; (iii) use any programs on the System other than the Application as installed and maintained by PredPol; (iv) access the System in any manner other than via the Software's Web based administrative, user and mobile interfaces; (v) remove, circumvent, disable, damage or otherwise interfere with any security-related features of the System, or features that enforce limitations on the use of the System; (vi) attempt to gain unauthorized access to the System, or any part of it, other accounts, computer systems or networks connected to the System through hacking, password mining or any other means; (vii) assign, sell, resell, rent, lease, distribute, delegate or otherwise transfer any rights or obligations under or in connection with this Agreement or the System; (viii) use the System, or sell access to the System, on a time-sharing, service bureau,



application service provider, or similar basis; (ix) reverse engineer, decompile, reverse compile, disassemble, or reverse assemble, any aspect or element of the System, or attempt to do so, except if and to the extent permitted by relevant law applicable to Client; (xi) take any action the intent or likely result of which would be to reveal or reconstruct all or any portion of the design of the System; (xii) use the System in a manner that violates any applicable law; (xv) use the facilities or capabilities of the System to conduct any business or activity or solicit the performance of any activity which is prohibited by law; or (xvi) upload into the System, or cause or permit the System to store, copy, process, communicate, distribute or publish, any data, information or materials (including without limitation, the Application Data) to the extent that so doing actually, or allegedly, (a) creates any liability for, or imposes any obligations upon, PredPol (b) violates any legal requirement, violates any rights of any person or entity or violates any duty to any person or entity, (c) damages any person or entity, (d) would be abusive, profane or sexually offensive to a reasonable person as judged by PredPol, (e) infringes, misappropriates or violates any intellectual property right or any personal right of any person or entity anywhere at any time, including, but not limited to, rights arising out of, or related to, copyright, patent, trade secret, trademark, service mark, privacy and publicity or (f) gives rise to any claims by any person or entity anywhere at any time for slander, libel, false light, invasion of privacy, unfair competition or misappropriation.

- H) *Third Party Requests.*** Client is responsible for responding to Third Party Requests. PredPol will, to the extent allowed by law and by the terms of the Third Party Request: (a) promptly notify Client of its receipt of a Third Party Request; (b) comply with Client's reasonable requests regarding Client's efforts to respond to a Third Party Request; and (c) provide Client with the information or tools required for Client to respond to the Third Party Request. Client will first seek to obtain the information required to respond to the Third Party Request on its own and will contact PredPol only if it cannot reasonably obtain such information.

6. Technical Support Services.

- A) *By Client.*** Client will, at its own expense, respond to questions and complaints from End Users or third parties. Client will use commercially reasonable efforts to resolve support issues before escalating them to PredPol.

a. Should Client need to escalate the issue to PredPol, contact will be made in accordance with Notices, section 15(b).

- B) *By PredPol.*** PredPol will provide the support necessary to resolve Client's issue, to the extent reasonably practicable in PredPol's discretion and in accordance with PredPol's standard Support & Maintenance Program, a copy of which is attached.

7. Suspension Of End User Accounts by PredPol.

If PredPol becomes aware of an End User's violation of the Agreement, PredPol may request that Client suspend the applicable End User Account. If Client fails to comply with PredPol's request,



PredPol may suspend the End User Account. The suspension will continue until the applicable End User has cured the breach.

- A) *Emergency Security Issues.*** If there is an emergency security issue (determined solely in PredPol's reasonable business judgment), PredPol may automatically suspend the offending use. Suspension will be to the extent and duration required to prevent or terminate the emergency security issue. If PredPol suspends an End User Account without prior notice to Client, at Client's request, PredPol will provide Client the reason for the suspension.

8. Confidential Information.

- A) *Asset of PredPol.*** Client acknowledges and agrees that the System constitutes a valuable, proprietary and confidential asset of PredPol and its licensors, successors and assigns
- B) *Obligations.*** Each party will: (a) protect the other party's confidential information with the same standard of care it uses to protect its own; and (b) not disclose confidential information except to affiliates, employees and agents who need to know it and who have agreed in writing to keep it confidential. Confidential information may only be used to exercise rights and fulfill obligations under this Agreement, while using reasonable care to protect it. Each party is responsible for the actions of its affiliates' employees.
- C) *Required Disclosure.*** Each party may disclose the other party's confidential information when required by law but only after it, if legally permissible: (a) uses commercially reasonable efforts to notify the other party; and (b) gives the other party the chance to challenge the disclosure.

9. Intellectual Property Rights; Brand Features.

- A) *Intellectual Property Rights.*** Except as expressly set forth herein, this Agreement does not grant either party any rights, implied or otherwise, to the other's content, brand features or intellectual property. Client grants to PredPol a non-exclusive license to use Client's Data for PredPol's legitimate business purposes, including providing products and services to law enforcement agencies.

10. Disclaimers.

- A) *Disclaimers.*** TO THE EXTENT PERMITTED BY LAW, EXCEPT AS EXPRESSLY PROVIDED FOR HEREIN; (i). PREDPOL MAKES NO WARRANTIES OR REPRESENTATIONS ABOUT CONTENT OR INFORMATION MADE ACCESSIBLE BY OR THROUGH THE SERVICES; AND (ii) THE SERVICES ARE PROVIDED "AS IS" AND WITHOUT WARRANTIES OR CONDITIONS OF ANY KIND, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY, NON-INFRINGEMENT, QUIET ENJOYMENT, ACCURACY OF DATA, SYSTEM INTEGRATION, COURSE OF PERFORMANCE AND FITNESS FOR A PARTICULAR PURPOSE. PREDPOL AND ITS SUPPLIERS DO NOT GUARANTEE



OR WARRANT THAT THE USE OF THE SERVICES WILL BE UNINTERRUPTED OR ERROR FREE. CLIENT ACKNOWLEDGES THAT THE SERVICES ARE NOT A TELEPHONY SERVICE AND THAT THE SERVICES ARE NOT CAPABLE OF PLACING OR RECEIVING ANY CALLS INCLUDING EMERGENCY SERVICES CALLS OVER PUBLICLY SWITCHED TELEPHONE NETWORKS.

- B) **Warranty.*** PredPol warrants all work performed or services rendered under the Agreement to be of good quality and free from any defective or faulty material and workmanship.

11. Termination.

- A) **Termination for Breach.*** Either party may suspend performance or terminate this Agreement if: (i) the other party is in material breach of the Agreement and fails to cure that breach within thirty days after receipt of written notice; (ii) the other party ceases its business operations or is subject to insolvency proceedings that are not dismissed within ninety days; or (iii) the other party is in material breach of this Agreement more than two times notwithstanding any cure of such breaches.
- B) **Effects of Termination.*** If this Agreement terminates, upon request each party will promptly use commercially reasonable efforts to return or destroy all other Confidential Information of the other party.

12. Indemnification.

- A) **By Client.*** Client will indemnify, defend, and hold harmless PredPol from and against all liabilities, damages, and costs (including settlement costs and reasonable attorneys' fees) arising out of a third party claim: (i) regarding Client Data; or (ii) regarding Client's use of the Services in violation of this Agreement or applicable law.
- B) **By PredPol.*** PredPol will defend and hold harmless Client against any third party claim that the Services infringe or misappropriate the intellectual property of a third party ("Infringement Claim"), and indemnify Client from all resulting costs and damages actually awarded against Client to the third party making such Infringement Claim by a court of competent jurisdiction or agreed to in settlement. PredPol will have no obligations or liability under this Section arising from: (i) use of any Services or PredPol Brand Features in a modified form or in combination with materials not furnished by PredPol, and (ii) any content, information or data provided by Client, End Users or other third parties.
- C) **General.*** The party seeking indemnification will promptly notify the other party of the claim and cooperate in defending the claim. The indemnifying party will have full control and authority over the defense, except that: (a) any settlement requiring the party seeking indemnification to admit liability or to pay money will require that party's prior written consent, such consent not to be unreasonably withheld or delayed; (c) the other party reasonably cooperates with requests for assistance; and (b) the other party may join in the



defense with its own counsel at its own expense. THE INDEMNITIES ABOVE ARE A PARTY'S ONLY REMEDY UNDER THIS AGREEMENT FOR VIOLATION BY THE OTHER PARTY OF A THIRD PARTY'S INTELLECTUAL PROPERTY RIGHTS.

13. Possible Infringement.

- A) *Repair, Replace, or Modify.*** If PredPol reasonably believes the Services infringe a third party's Intellectual Property Rights, then PredPol will: (a) obtain the right for Client, at PredPol's expense, to continue using the Services; (b) provide a non-infringing functionally equivalent replacement; **or** (c) modify the Services so that they no longer infringe.
- B) *Suspension or Termination.*** If PredPol does not believe the foregoing options are commercially reasonable, then PredPol may suspend or terminate Client's use of the impacted Services. If PredPol terminates the impacted Services, then PredPol will provide a pro-rata refund of the unearned Fees.

14. Limitation of Liability.

- A) *Limitation on Indirect Liability.*** NEITHER PARTY WILL BE LIABLE UNDER THIS AGREEMENT FOR LOST REVENUES OR INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY, OR PUNITIVE DAMAGES, EVEN IF THE PARTY KNEW OR SHOULD HAVE KNOWN THAT SUCH DAMAGES WERE POSSIBLE AND EVEN IF DIRECT DAMAGES DO NOT SATISFY A REMEDY.
- B) *Limitation on Amount of Liability.*** EXCEPT AS PROVIDED HEREIN, PREDPOL SHALL NOT BE HELD LIABLE UNDER THIS AGREEMENT FOR MORE THAN THE AMOUNT PAID BY CLIENT TO PREDPOL HEREUNDER DURING THE TWELVE MONTHS PRIOR TO THE EVENT GIVING RISE TO LIABILITY.
- C) *Exceptions to Limitations.*** These limitations of liability apply to the fullest extent permitted by applicable law but do not apply to breaches of confidentiality obligations, violations of a party's Intellectual Property Rights by the other party, or indemnification obligations.

15. Miscellaneous.

- A) *Privacy Rights:*** Without limiting any of the foregoing, Client hereby agrees to strictly comply with all laws, regulations and guidelines relating to the privacy rights of any individuals applicable to its use of the System, including, without limitation, personally identifiable information.
- B) *Notices.*** (a) All notices must be in writing and addressed to the attention of the other party's legal department and primary point of contact and (b) notice will be deemed given: (i) when verified by written receipt if sent by personal courier, overnight courier,



PREDPOL

or when received if sent by mail without verification of receipt; or (ii) when verified by automated receipt or electronic logs if sent by facsimile or email.

i. **Point of Contact, PredPol:** Mary Woodard

ii. **Point of Contact, Client:** Lance Eber, Crime Analyst

- C) **Change of Control.** Upon a change of control (a) the party experiencing the change of control will provide written notice to the other party within thirty days after the change of control; and (b) the other party may terminate this Agreement any time between the change of control and thirty days after it receives the notice.
- D) **Force Majeure.** Neither party will be liable for inadequate performance to the extent caused by a condition (for example, natural disaster, act of war, riot, labor condition, governmental action, and Internet disturbance) beyond the party's reasonable control; provided, that obligations that are purely financial in nature shall not be subject to this provision.
- E) **No Waiver.** Failure to enforce any provision of this Agreement will not constitute a waiver.
- F) **Severability.** If any provision of this Agreement is found unenforceable, the balance of the Agreement will remain in full force and effect.
- G) **No Agency.** The Parties are independent contractors, and this Agreement does not create an agency, partnership or joint venture.
- H) **Equitable Relief.** Nothing in this Agreement will limit either party's ability to seek equitable relief.
- I) **Governing Law.** This Agreement is governed by California law, excluding that state's choice of law rules. FOR ANY DISPUTE ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE PARTIES CONSENT TO PERSONAL JURISDICTION IN, AND THE EXCLUSIVE VENUE OF, THE COURTS IN SANTA CRUZ COUNTY, CALIFORNIA. The Parties explicitly agree that no other laws, treaties or regulations shall control this Agreement.
- J) **Amendments.** Any amendment must be in writing and expressly state that it is amending this Agreement.
- K) **Survival.** The following sections will survive expiration or termination of this Agreement: Section 3, 6, 7.1, 10, 11.2, 12, 13, 14 and 15.
- L) **Entire Agreement.** This Agreement, and all documents referenced herein, is the Parties' entire agreement relating to its subject and supersedes any prior or contemporaneous agreements on that subject.



- M) *Interpretation of Conflicting Terms.*** If there is a conflict between the documents that make up this Agreement, the documents will control in the following order: the Subscription Terms set forth in any separate quote prepared by PredPol, then the Agreement, and the terms located at any URL. If Client signs a physical agreement with PredPol to receive the Services, the physical agreement will override any online agreement.
- N) *Counterparts.*** The Parties may enter into this Agreement in counterparts, including facsimile, PDF or other electronic copies, which taken together will constitute one instrument.



EXECUTED as a sealed instrument as of the day and year first set forth below by the last counter-signatory.

Representations and Warranties. Each party represents that it has full power and authority to enter into the Agreement. If you are accepting on behalf of your employer or another entity, you represent and warrant that: (i) you have full legal authority to bind your employer, or the applicable entity, to these terms and conditions; (ii) you have read and understand this Agreement; and (iii) you agree, on behalf of the party that you represent, to this Agreement. Each party warrants that it will comply with all laws and regulations applicable to its provision, or use of the Services.

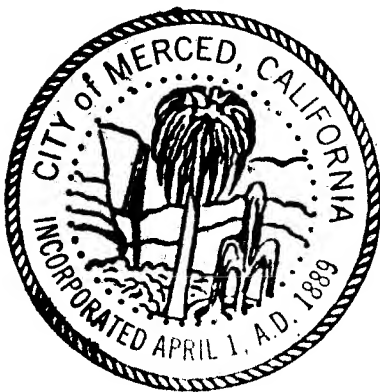
DATED: June 24, 2015

PredPol, Inc.:

By: Larry Samuels, CEO

DATED: 07-24, 2015

Entity CITY OF MERCED:



By: _____

v-17452 215063 PO #: 119462
FUNDS/ACCOUNTS VERIFIED
R. [Signature] 7-23-15
FINANCE OFFICE DATE

Funds Available: 11/20/15
061-1026-522-17-00

Fy 2016 \$ 30,000.00
Fy 2017 14,700.00
\$44,700.00

APPROVED AS TO FORM:

Kelly C. Fincher
KELLY C. FINCHER
Chief Deputy City Attorney

ATTEST:
CITY CLERK

BY [Signature]
Assistant/Deputy City Clerk



STATEMENT OF WORK PREDICTIVE POLICING DEPLOYMENT

Ex. A

Predictive Policing Software as a Service Subscription Agreement Between PredPol, Inc. and Merced (“Client”)

□ OVERVIEW

PredPol, the predictive policing company, provides command staff, crime analysts, and patrol officers with proven, accurate, easy to use predictions for where and when crime is most likely to occur. This includes property crime, drug crime, gun violence, gang activity, and traffic incidents. Used as an everyday policing tool and for special operations, predictions are generated for each shift and delivered on paper or to any internet-connected device. The predictions are shown on maps as 500 foot by 500 foot boxes, about the size of a large intersection, that officers patrol during their shift when not responding to calls for service or performing other duties.

Three types of crime data – type of crime, place of crime, and time of crime – are delivered through a secure Data Pipe from Client’s RMS to the PredPol Service. Predictions are then generated and made available anytime a user logs in to the system.

□ TERMS

1. Financial Parameters:
 - a. Merced Police Dept will purchase three years of PredPol Predictive Service +GPS Dosage Feature at a cost of \$44,700.00. PredPol will waive the \$2,000 set up fee and CrimeWhere public crime mapping will be provided at no cost.
 - b. There are no additional fees for training, no individual license fees, no need for new hardware or new hiring, and no limit on the number of Client users or prediction views.
2. Non-Financial Parameters: Client agrees to make reasonable efforts to support PredPol by doing the following during the term of this Agreement:
 - a. Provide IT staff and services as needed during the initial setup of the Data Pipe;
 - b. Deploy and utilize the PredPol tool according to PredPol’s recommended best practices;
 - c. Generally support the deployment of any new features/tools, including providing user feedback, as requested by PredPol;

EXHIBIT A



- d. Provide access to relevant databases and shared databases to which Client has access, pursuant to all applicable laws and access agreements;
3. Initial Services Term & Renewal: This Agreement is for an Initial Services Term of three years with annual payments due according to the terms set forth herein. Renewal following the Initial Services Term will be determined by both Parties in writing sixty (60) days prior to the end of the Initial Services Term.
4. Term: This Agreement is effective when signed by both Parties and will terminate on the end of the Services Term

☐ SCOPE OF WORK

Scope of Work: PredPol shall provide services, resources, and tools to support a successful implementation of the PredPol Services to support Client's efforts to suppress, deter, and reduce crime. The scope of work will include the following:

- Setup and integration of a secure Data Pipe from Client's RMS to PredPol Service. Data to be transferred is restricted to fields related to type of crime, place of crime, and time of crime.
- Provide electronic transfer of 500' x 500' predictive locations (latitude and longitude data) identified by PredPol to Client for electronic consumption by Client's computer systems.
- Access to historical crime mapping for crime types as defined and agreed with the Client.
- Provide access to the Radar tool that details hit scoring.
- Provide GPS Dosage tool which uses AVL data to track use of PredPol.
- A "train the trainers" session in operations and best practices. Training takes one hour. PredPol also provides client support and training materials online through the Support Portal.
- Full access to the Services by Client, including unlimited Client users, prediction views, and report generation.
- Provide online, and email support to Client for technical and operational use.



❑ DEPLOYMENT STEPS AND PROPOSED TIME SCHEDULE

Implementation of predictive policing for Client will include the following steps and proposed schedule:

- **Setup of the PredPol Services using Client's existing RMS database.**
Timeline for setup is dependent upon availability of the Client's technician for installation of the Predpol data pipe. Once an agency provides initial data transfer and ensures the correct data mapping is in place, the PredPol system can be ready to generate predictions within two weeks.
- **Technical Implementation Steps.**
Technical Implementation depends on Client IT resource availability. The steps are as follows:
 1. PredPol to conduct a kickoff meeting or conference call with appropriate Client staff (as identified by the Client) upon receiving signed Agreement.
 2. Client to complete an informational form.
 3. Upon form receipt, PredPol will send installation instructions to Client.
 4. Per instructions, the Client must complete the installation of Data Pipe and complete the online setup form. PredPol staff will be available for support as needed.
 5. Upon successful installation of Data Pipe and completion of setup form, PredPol will complete initial data processing. The PredPol Service will generally be available to Client within two weeks from the completion of this step. Successful completion of this step is contingent on the Client confirming that the data mapping is correct.

The overall timeline for implementation depends on Client resource availability.

- **Electronic transfer of 500 square foot predictive locations (latitude and longitude data) identified by PredPol to Client.**
Upon completion of technical implementation, Client will receive the URL and login information of their PredPol site via email for their review. Upon Client signoff, PredPol will work with Client to schedule training.
- **Training.**
PredPol recommends a "train the trainers" approach for command staff, supervisors, and analysts once the system goes live. This provides a better understanding of the system and allows new officers to be trained as needed. Training takes one hour, including questions and answers. PredPol also provides online training materials and email support.



PROPOSED PROJECT SCHEDULE	
Deliverable/Task	Target Date
Effective Date	Date of contract signature
Kickoff call	Within 7 days of Effective Date
Client completion of information form	Within 7 days of kickoff call
Installation of Data Pipe and completion of setup form	Within 30 days of Effective Date *
1 st Payment in the amount \$30,000	July 30, 2015
Service Commencement Date	2 weeks after installation of Data Pipe and completion of setup form *
Training	Within 14 days of Service Commencement Date
Remaining balance invoice	July 1, 2016
Remaining balance payment in the amount of \$14,700	July 30, 2016

* These dates are dependent on Client's completion of Data Pipe installation and setup form.



ADMINISTRATIVE REPORT

Agenda Item I.9.

Meeting Date: 7/20/2015

Report Prepared by: *Tom Trinidad, Captain, Police Department*

SUBJECT: Predictive Policing Software Contract

REPORT IN BRIEF

Enter into a contract with Predpol to provide predictive policing software that will assign probabilities of future crime events for \$44,700.00 for three years. The initial payment will be for \$30,000.00 and the next fiscal year payment will be \$14,700.00 for a total of \$44,700.00.

RECOMMENDATION

City Council - Adopt a motion approving the contract with Predpol, and; authorizing the City Manager to execute the necessary documents.

ALTERNATIVES

1. Approve execution of the contract as recommended; or
2. Decline to award contract; or
3. Refer to staff with direction

AUTHORITY

Section 3.04.120 of the Merced Municipal Code

CITY COUNCIL PRIORITIES

To enhance police staffing by providing tools to assist officers in carrying out law enforcement duties.

DISCUSSION

Predictive policing will enhance the Departments ability to, assign probabilities of future crime events to each districts, present estimated crime risk in a useable framework to law enforcement decision makers and lead to more efficient & more accurate resource deployment by local law enforcement agencies.

How PredPol Works:

Using only three data points - past type, place and time of crime and a unique algorithm based on criminal behavior patterns, PredPol's powerful software provides Merced Police Department with customized crime predictions for the places and times that crimes are most likely to occur. PredPol

pinpoints small areas, depicted in 500 feet by 500 feet boxes on maps - that are automatically generated for each shift of each day.

PredPol's tool enables law enforcement to enhance and better direct the patrol resources they have. It does not replace, but requires, the insights of veteran officers and crime analysts. Typically, patrol officers spend a few minutes in PredPol boxes to deter crime when they're not responding to calls for service or performing other duties. Some of these boxes are places that officers routinely cover, but many others are places that might not otherwise receive attention. This also provides officers an opportunity to interact with residents, aiding in relationship building and strengthening community ties.

The Merced Police Department's Command Staff recommends the use of this software to help reduce crime and provide more efficient service to our community. Modesto Police Department has already started using this technology and appears to have been beneficial to their city.

IMPACT ON CITY RESOURCES

Funding is available within the Adopted Fiscal Year 2015-16 budget in the following account.

Measure C account #061-1026-522-17-00	\$44,700.00 for three years first year \$30,000.00 second year \$14,700.00
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ATTACHMENTS

1. Predpol contract



PredPol Predictive Policing Software as a Service Subscription Agreement

This Subscription Agreement ("**Agreement**") between PredPol, Inc., a California corporation, with offices at 2801 Mission Street, Suite 2803, Santa Cruz, CA 95060 ("**PredPol**") and The City of Merced ("**Client**"). This Agreement is effective when signed by both Parties (the "**Effective Date**"). This Agreement governs Client's access to and use of the PredPol's technology services.

- I. **Definitions.** (for terms that may appear either in this Agreement or in an attachment hereto)
 - A) "Admin Account(s)" means the administrative account(s) provided to Client by PredPol for the purpose of administering the Services. The use of the Admin Account(s) requires a password, which PredPol will provide to Client.
 - B) "Administrators" mean the Client-designated technical personnel who administer the Services to End Users on Client's behalf.
 - C) "Affiliate" means any entity that directly or indirectly controls, is controlled by, or is under common control with a party.
 - D) "Brand Features" means the trade names, trademarks, service marks, logos, domain names, and other distinctive brand features of each party, respectively, as secured by such party from time to time.
 - E) "Confidential Information" means information disclosed by a party to the other party under this Agreement that is marked as confidential or would normally be considered confidential under the circumstances. Client Data is Client's Confidential Information. Confidential Information does not include information that: (a) the recipient of the Confidential Information already knew; (b) becomes public through no fault of the recipient; (c) was independently developed by the recipient; or (d) was rightfully given to the recipient by another party.
 - F) "Client Data" means data, including crime data, provided, generated, transmitted or displayed via the Services by Client or End Users.
 - G) "Data Pipe" means the server software used by PredPol to extract crime data from Client's RMS, encrypt it, and send to the PredPol servers to use to deliver the Service.
 - H) "Emergency Security Issue" means either: (a) Client's use of the Services in violation of the Acceptable Use Policy, which could disrupt: (i) the Services; (ii) other Client's use of the Services; or (iii) the PredPol network or servers used to provide the Services; or (b) unauthorized third party access to the Services.
 - I) "End Users" means the individuals Client permits to use the Services.



- J) "End User Account" means a PredPol-hosted account established by Client through the Services for an End User.
- K) "Fees" means the amounts invoiced to Client by PredPol for the Services as described in the Statement of Work.
- L) "Initial Services Term" means the term for the applicable Services beginning on the Service Commencement Date and continuing for the duration of the Initial Services Term as set forth in the Statement of Work.
- M) "Intellectual Property Rights" means current and future worldwide rights under patent law, copyright law, trade secret law, trademark law, moral rights law, and other similar rights.
- N) "RMS" means Records Management System database, an agency-wide system that provides for the storage, retrieval, retention, manipulation, archiving, and viewing of information, records, documents, or files pertaining to law enforcement operations.
- O) "Service Commencement Date" is the date upon which PredPol makes the Services available to Client. This date will follow receipt of the year one payment and is dependent upon Client taking the necessary steps as defined in this Agreement and the Statement of Work to enable PredPol to setup the Services.
- P) "Services" means the applicable PredPol product or service, as described in this Agreement or the Statement of Work.
- Q) "Services Term" means the applicable Initial Services Term and all renewal terms for the applicable Services as set out in the Statement of Work.
- R) "Statement of Work" means one or more fully-executed statements containing the terms and conditions for the provision of Services to or for the benefit of a specific Client.
- S) "Subscription Terms" means the order document reflecting the financial terms of the subscription, including: (i) the Services being ordered; (ii) Fees; and (iii) Initial Services Term.
- T) "Suspend" means the immediate disabling of access to the Services, or components of the Services, as applicable, to prevent further use of the Services.
- U) "Term" means the term of the Agreement, which will begin on the Effective Date and continue until the earlier of (i) the end of the Services Term or (ii) termination date of the Agreement (or Statement of Work) as set forth herein.

2. Product and Payment.



Product. In consideration of the pricing and other obligations described herein, Client shall receive PredPol Services that are focused on crime predictions by shift, day, and location, including, but not necessarily related to, property crime, assault, and robbery.

Client shall receive PredPol Services for the Services Term set forth in the Statement of Work, executed by the Parties and attached hereto. The Subscription Terms, including the Fees that Client agrees to pay for PredPol Services, are as described in the Statement of Work.

- A) Payment* The first payment is due thirty days after this Agreement is executed. The Client will be invoiced annually after the first payment. Fees for orders where PredPol issues an invoice are due upon Client's receipt of the invoice and are considered delinquent thirty days after the date of the applicable invoice. Payments shall be made in U.S. Dollars by either wire transfer or check.
- B) Commencement of Service.* The Service Commencement Date is the date upon which PredPol makes the Services available to Client. This date will follow receipt of the Year One payment and depends on the Client taking the necessary steps as defined in the Statement of Work to enable PredPol to set up the Services.
- C) Invoices.* Each year PredPol shall furnish to Client an original invoice for all services to be delivered in an upcoming contract year. The first invoice shall be issuable upon full execution of this Agreement. Client will make all required payments to PredPol within thirty (30) days of receipt of PredPol's invoice.
- D) Revising Rates.* Rates may not be changed during the Initial Services Term of this Agreement without consent of both Parties. Following the end of the Initial Services Term, PredPol may revise its rates by providing Client written notice (which may be by email) at least thirty days prior to the effective date of the revision.
- E) Delinquent Payments.* Delinquent payments shall bear interest at the rate of one-and-one-half percent per month (or the highest rate permitted by law if less) from the payment due date until paid in full. Client will be responsible for all reasonable expenses (including attorneys' fees) incurred by PredPol in collecting such delinquent amounts except where such delinquent amounts are due to PredPol's billing inaccuracies.

3. Term

- A) Term.* This Agreement will remain in effect for the Term as laid out in the Statement of Work, as attached hereto as Ex. A, and incorporated herein
- B) Renewal.* The renewal process is laid out in the Statement of Work.

4. Services.



- A) License to Use.* Client shall be licensed and authorized to use the Services as provided as a SaaS (software as a service). The license is non-transferable, non-assignable and non-exclusive.
- B) Facilities and Data Transfer.* Facilities used to store and process Client data will adhere to security standards no less protective than the standards used for PredPol's own information and shall be compliant with applicable laws.
- C) Modifications to the Services.* PredPol may make commercially reasonable changes to the Services. If PredPol materially changes the Services, PredPol will inform Client in writing.
- D) Retention.* PredPol will have no obligation to retain archived Client data.

5. Additional Client Obligations.

Client agrees to provide the information and take the steps requested by PredPol to facilitate setup and implementation of the Services.

- A) License to Use Client Data.* Client understands and agrees that Client is solely responsible for ensuring it has all rights in or to the Crime Data as necessary to upload the Crime Data to the System as provided for without violation of any laws, regulations or guidelines, or any privacy or property rights of any third parties. In connection with such Data, Client hereby represents and warrants that:
 - (i) Client owns, or otherwise has the necessary licenses, rights, consents, and permissions under all intellectual property and/or proprietary rights in Crime Data to enable inclusion and use of the Crime Data by PredPol and its agents in the manner permitted by this Agreement.
 - (ii) PredPol's receipt and/or storage of such Data on the System pursuant to this Agreement, do not and will not: (a) infringe, violate, or misappropriate any third-party right, including any copyright, trademark, patent, trade secret, moral right, privacy right, right of publicity, or any other intellectual property or proprietary right; (b) slander, defame, libel, or invade the right of privacy, publicity or other property rights of any other person; or (c) violate any applicable law, regulation or guideline.
 - (iii) Client retains ownership at all times of the Application Data, provided that Client hereby grants to PredPol and its agents the right to use, store, reproduce, and otherwise possess and utilize the Application Data in connection with and as reasonably necessary for PredPol to provide the Services to Client hereunder, and to disclose Crime Data to its officers, employees, agents, consultants, contractors and representatives for the purposes of performing Services for the Client.
- B) Additional Obligations.* The Client also agrees to: a) Support testing of new features/tools; b) Contribute to requested case studies; and c) Provide user feedback.



- a. Client shall (i) obtain access to the Internet at Client's expense from a provider selected by Client so that Client can communicate with the System, (ii) select, obtain and maintain all equipment necessary to permit Client to communicate with the Web based interfaces of the Software. PredPol will have no obligations with respect to any hardware, software, or services chosen and/or used by Client to access the Client Installation. PredPol will not have any liability if Client is unable to access or utilize the Client Installation due to a fault or failure in any such hardware, software and/or services.
 - b. Client shall provide access for the Data Pipe to the Client's server which houses applicable crime data. Client shall ensure their server is running at all times and communicate any pertinent changes to their server or database to PredPol in a timely manner.
- C) **Compliance.** Client will use the Services in accordance with this Agreement, the Statement of Work and all applicable laws.
- D) **Login IDs and Passwords:** Client is solely responsible for monitoring and protecting the confidentiality of all Login IDs and Passwords issued to it and its End Users.
- E) **Client Administration of the Services.** Client may specify one or more Administrators with the rights to administer the End User Accounts. Client is responsible for: (a) maintaining the confidentiality of the password and Admin Account(s); (b) designating individuals authorized to access the Admin Account(s); and (c) ensuring activities that occur in connection with the Admin Account(s) comply with this Agreement. Client agrees that PredPol's responsibilities do not extend to Client's internal management or administration of the Services.
- F) **Unauthorized Use.** Client will use commercially reasonable efforts to prevent unauthorized use of the Services and to terminate any unauthorized use. Client will promptly notify PredPol of any unauthorized use of or access to the Services of which it becomes aware.
- G) **Restrictions on Use.** Unless PredPol specifically agrees in writing, Client will not, and will use commercially reasonable efforts to make sure a third party does not: (i) intentionally store or send software viruses, worms, Trojan horses or other harmful computer code, files, scripts or programs; (ii) modify any software programs on the System; (iii) use any programs on the System other than the Application as installed and maintained by PredPol; (iv) access the System in any manner other than via the Software's Web based administrative, user and mobile interfaces; (v) remove, circumvent, disable, damage or otherwise interfere with any security-related features of the System, or features that enforce limitations on the use of the System; (vi) attempt to gain unauthorized access to the System, or any part of it, other accounts, computer systems or networks connected to the System through hacking, password mining or any other means; (vii) assign, sell, resell, rent, lease, distribute, delegate or otherwise transfer any rights or obligations under or in connection with this Agreement or the System; (viii) use the System, or sell access to the System, on a time-sharing, service bureau,



application service provider, or similar basis; (ix) reverse engineer, decompile, reverse compile, disassemble, or reverse assemble, any aspect or element of the System, or attempt to do so, except if and to the extent permitted by relevant law applicable to Client; (xi) take any action the intent or likely result of which would be to reveal or reconstruct all or any portion of the design of the System; (xii) use the System in a manner that violates any applicable law; (xv) use the facilities or capabilities of the System to conduct any business or activity or solicit the performance of any activity which is prohibited by law; or (xvi) upload into the System, or cause or permit the System to store, copy, process, communicate, distribute or publish, any data, information or materials (including without limitation, the Application Data) to the extent that so doing actually, or allegedly, (a) creates any liability for, or imposes any obligations upon, PredPol (b) violates any legal requirement, violates any rights of any person or entity or violates any duty to any person or entity, (c) damages any person or entity, (d) would be abusive, profane or sexually offensive to a reasonable person as judged by PredPol, (e) infringes, misappropriates or violates any intellectual property right or any personal right of any person or entity anywhere at any time, including, but not limited to, rights arising out of, or related to, copyright, patent, trade secret, trademark, service mark, privacy and publicity or (f) gives rise to any claims by any person or entity anywhere at any time for slander, libel, false light, invasion of privacy, unfair competition or misappropriation.

- H) Third Party Requests.** Client is responsible for responding to Third Party Requests. PredPol will, to the extent allowed by law and by the terms of the Third Party Request: (a) promptly notify Client of its receipt of a Third Party Request; (b) comply with Client's reasonable requests regarding Client's efforts to respond to a Third Party Request; and (c) provide Client with the information or tools required for Client to respond to the Third Party Request. Client will first seek to obtain the information required to respond to the Third Party Request on its own and will contact PredPol only if it cannot reasonably obtain such information.

6. Technical Support Services.

- A) By Client.** Client will, at its own expense, respond to questions and complaints from End Users or third parties. Client will use commercially reasonable efforts to resolve support issues before escalating them to PredPol.
- a.** Should Client need to escalate the issue to PredPol, contact will be made in accordance with Notices, section 15(b).
- B) By PredPol.** PredPol will provide the support necessary to resolve Client's issue, to the extent reasonably practicable in PredPol's discretion and in accordance with PredPol's standard Support & Maintenance Program, a copy of which is attached.

7. Suspension Of End User Accounts by PredPol.

If PredPol becomes aware of an End User's violation of the Agreement, PredPol may request that Client suspend the applicable End User Account. If Client fails to comply with PredPol's request,



PredPol may suspend the End User Account. The suspension will continue until the applicable End User has cured the breach.

- A) *Emergency Security Issues.*** If there is an emergency security issue (determined solely in PredPol's reasonable business judgment), PredPol may automatically suspend the offending use. Suspension will be to the extent and duration required to prevent or terminate the emergency security issue. If PredPol suspends an End User Account without prior notice to Client, at Client's request, PredPol will provide Client the reason for the suspension.

8. Confidential Information.

- A) *Asset of PredPol.*** Client acknowledges and agrees that the System constitutes a valuable, proprietary and confidential asset of PredPol and its licensors, successors and assigns
- B) *Obligations.*** Each party will: (a) protect the other party's confidential information with the same standard of care it uses to protect its own; and (b) not disclose confidential information except to affiliates, employees and agents who need to know it and who have agreed in writing to keep it confidential. Confidential information may only be used to exercise rights and fulfill obligations under this Agreement, while using reasonable care to protect it. Each party is responsible for the actions of its affiliates' employees.
- C) *Required Disclosure.*** Each party may disclose the other party's confidential information when required by law but only after it, if legally permissible: (a) uses commercially reasonable efforts to notify the other party; and (b) gives the other party the chance to challenge the disclosure.

9. Intellectual Property Rights; Brand Features.

- A) *Intellectual Property Rights.*** Except as expressly set forth herein, this Agreement does not grant either party any rights, implied or otherwise, to the other's content, brand features or intellectual property. Client grants to PredPol a non-exclusive license to use Client's Data for PredPol's legitimate business purposes, including providing products and services to law enforcement agencies.

10. Disclaimers.

- A) *Disclaimers.*** TO THE EXTENT PERMITTED BY LAW, EXCEPT AS EXPRESSLY PROVIDED FOR HEREIN; (i). PREDPOL MAKES NO WARRANTIES OR REPRESENTATIONS ABOUT CONTENT OR INFORMATION MADE ACCESSIBLE BY OR THROUGH THE SERVICES; AND (ii) THE SERVICES ARE PROVIDED "AS IS" AND WITHOUT WARRANTIES OR CONDITIONS OF ANY KIND, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY, NON-INFRINGEMENT, QUIET ENJOYMENT, ACCURACY OF DATA, SYSTEM INTEGRATION, COURSE OF PERFORMANCE AND FITNESS FOR A PARTICULAR PURPOSE. PREDPOL AND ITS SUPPLIERS DO NOT GUARANTEE



OR WARRANT THAT THE USE OF THE SERVICES WILL BE UNINTERRUPTED OR ERROR FREE. CLIENT ACKNOWLEDGES THAT THE SERVICES ARE NOT A TELEPHONY SERVICE AND THAT THE SERVICES ARE NOT CAPABLE OF PLACING OR RECEIVING ANY CALLS INCLUDING EMERGENCY SERVICES CALLS OVER PUBLICLY SWITCHED TELEPHONE NETWORKS.

- B) **Warranty.*** PredPol warrants all work performed or services rendered under the Agreement to be of good quality and free from any defective or faulty material and workmanship.

11. Termination.

- A) **Termination for Breach.*** Either party may suspend performance or terminate this Agreement if: (i) the other party is in material breach of the Agreement and fails to cure that breach within thirty days after receipt of written notice; (ii) the other party ceases its business operations or is subject to insolvency proceedings that are not dismissed within ninety days; or (iii) the other party is in material breach of this Agreement more than two times notwithstanding any cure of such breaches.
- B) **Effects of Termination.*** If this Agreement terminates, upon request each party will promptly use commercially reasonable efforts to return or destroy all other Confidential Information of the other party.

12. Indemnification.

- A) **By Client.*** Client will indemnify, defend, and hold harmless PredPol from and against all liabilities, damages, and costs (including settlement costs and reasonable attorneys' fees) arising out of a third party claim: (i) regarding Client Data; or (ii) regarding Client's use of the Services in violation of this Agreement or applicable law.
- B) **By PredPol.*** PredPol will defend and hold harmless Client against any third party claim that the Services infringe or misappropriate the intellectual property of a third party ("Infringement Claim"), and indemnify Client from all resulting costs and damages actually awarded against Client to the third party making such Infringement Claim by a court of competent jurisdiction or agreed to in settlement. PredPol will have no obligations or liability under this Section arising from: (i) use of any Services or PredPol Brand Features in a modified form or in combination with materials not furnished by PredPol, and (ii) any content, information or data provided by Client, End Users or other third parties.
- C) **General.*** The party seeking indemnification will promptly notify the other party of the claim and cooperate in defending the claim. The indemnifying party will have full control and authority over the defense, except that: (a) any settlement requiring the party seeking indemnification to admit liability or to pay money will require that party's prior written consent, such consent not to be unreasonably withheld or delayed; (c) the other party reasonably cooperates with requests for assistance; and (b) the other party may join in the



defense with its own counsel at its own expense. THE INDEMNITIES ABOVE ARE A PARTY'S ONLY REMEDY UNDER THIS AGREEMENT FOR VIOLATION BY THE OTHER PARTY OF A THIRD PARTY'S INTELLECTUAL PROPERTY RIGHTS.

13. Possible Infringement.

- A) *Repair, Replace, or Modify.*** If PredPol reasonably believes the Services infringe a third party's Intellectual Property Rights, then PredPol will: (a) obtain the right for Client, at PredPol's expense, to continue using the Services; (b) provide a non-infringing functionally equivalent replacement; **or** (c) modify the Services so that they no longer infringe.
- B) *Suspension or Termination.*** If PredPol does not believe the foregoing options are commercially reasonable, then PredPol may suspend or terminate Client's use of the impacted Services. If PredPol terminates the impacted Services, then PredPol will provide a pro-rata refund of the unearned Fees.

14. Limitation of Liability.

- A) *Limitation on Indirect Liability.*** NEITHER PARTY WILL BE LIABLE UNDER THIS AGREEMENT FOR LOST REVENUES OR INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY, OR PUNITIVE DAMAGES, EVEN IF THE PARTY KNEW OR SHOULD HAVE KNOWN THAT SUCH DAMAGES WERE POSSIBLE AND EVEN IF DIRECT DAMAGES DO NOT SATISFY A REMEDY.
- B) *Limitation on Amount of Liability.*** EXCEPT AS PROVIDED HEREIN, PREDPOL SHALL NOT BE HELD LIABLE UNDER THIS AGREEMENT FOR MORE THAN THE AMOUNT PAID BY CLIENT TO PREDPOL HEREUNDER DURING THE TWELVE MONTHS PRIOR TO THE EVENT GIVING RISE TO LIABILITY.
- C) *Exceptions to Limitations.*** These limitations of liability apply to the fullest extent permitted by applicable law but do not apply to breaches of confidentiality obligations, violations of a party's Intellectual Property Rights by the other party, or indemnification obligations.

15. Miscellaneous.

- A) *Privacy Rights:*** Without limiting any of the foregoing, Client hereby agrees to strictly comply with all laws, regulations and guidelines relating to the privacy rights of any individuals applicable to its use of the System, including, without limitation, personally identifiable information.
- B) *Notices.*** (a) All notices must be in writing and addressed to the attention of the other party's legal department and primary point of contact and (b) notice will be deemed given: (i) when verified by written receipt if sent by personal courier, overnight courier,



or when received if sent by mail without verification of receipt; or (ii) when verified by automated receipt or electronic logs if sent by facsimile or email.

i. *Point of Contact, PredPol: Mary Woodard*

ii. *Point of Contact, Client: Lance Eber, Crime Analyst*

- C) **Change of Control.** Upon a change of control (a) the party experiencing the change of control will provide written notice to the other party within thirty days after the change of control; and (b) the other party may terminate this Agreement any time between the change of control and thirty days after it receives the notice.
- D) **Force Majeur².** Neither party will be liable for inadequate performance to the extent caused by a condition (for example, natural disaster, act of war, riot, labor condition, governmental action, and Internet disturbance) beyond the party's reasonable control; provided, that obligations that are purely financial in nature shall not be subject to this provision.
- E) **No Waiver.** Failure to enforce any provision of this Agreement will not constitute a waiver.
- F) **Severability.** If any provision of this Agreement is found unenforceable, the balance of the Agreement will remain in full force and effect.
- G) **No Agency.** The Parties are independent contractors, and this Agreement does not create an agency, partnership or joint venture.
- H) **Equitable Relief.** Nothing in this Agreement will limit either party's ability to seek equitable relief.
- I) **Governing Law.** This Agreement is governed by California law, excluding that state's choice of law rules. FOR ANY DISPUTE ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE PARTIES CONSENT TO PERSONAL JURISDICTION IN, AND THE EXCLUSIVE VENUE OF, THE COURTS IN SANTA CRUZ COUNTY, CALIFORNIA. The Parties explicitly agree that no other laws, treaties or regulations shall control this Agreement.
- J) **Amendments.** Any amendment must be in writing and expressly state that it is amending this Agreement.
- K) **Survival.** The following sections will survive expiration or termination of this Agreement: Section 3, 6, 7.1, 10, 11.2, 12, 13, 14 and 15.
- L) **Entire Agreement.** This Agreement, and all documents referenced herein, is the Parties' entire agreement relating to its subject and supersedes any prior or contemporaneous agreements on that subject.



- M) *Interpretation of Conflicting Terms.*** If there is a conflict between the documents that make up this Agreement, the documents will control in the following order: the Subscription Terms set forth in any separate quote prepared by PredPol, then the Agreement, and the terms located at any URL. If Client signs a physical agreement with PredPol to receive the Services, the physical agreement will override any online agreement.
- N) *Counterparts.*** The Parties may enter into this Agreement in counterparts, including facsimile, PDF or other electronic copies, which taken together will constitute one instrument.



EXECUTED as a sealed instrument as of the day and year first set forth below by the last counter-signatory.

Representations and Warranties. Each party represents that it has full power and authority to enter into the Agreement. If you are accepting on behalf of your employer or another entity, you represent and warrant that: (i) you have full legal authority to bind your employer, or the applicable entity, to these terms and conditions; (ii) you have read and understand this Agreement; and (iii) you agree, on behalf of the party that you represent, to this Agreement. Each party warrants that it will comply with all laws and regulations applicable to its provision, or use of the Services.

DATED: June 24, 20 5

PredPol, Inc.:

A handwritten signature in black ink, appearing to read "Larry Samuels", written over a horizontal line.

By: Larry Samuels, CEO

DATED: _____, 20__

Entity _____:

By: _____

APPROVED AS TO FORM:

A handwritten signature in black ink, appearing to read "Kelly C. Fincher", written over a horizontal line.

KELLY C. FINCHER

Chief Deputy City Attorney



STATEMENT OF WORK PREDICTIVE POLICING DEPLOYMENT

Ex. A

Predictive Policing Software as a Service Subscription Agreement Between PredPol, Inc. and Merced (“Client”)

□ OVERVIEW

PredPol, the predictive policing company, provides command staff, crime analysts, and patrol officers with proven, accurate, easy to use predictions for where and when crime is most likely to occur. This includes property crime, drug crime, gun violence, gang activity, and traffic incidents. Used as an everyday policing tool and for special operations, predictions are generated for each shift and delivered on paper or to any internet-connected device. The predictions are shown on maps as 500 foot by 500 foot boxes, about the size of a large intersection, that officers patrol during their shift when not responding to calls for service or performing other duties.

Three types of crime data – type of crime, place of crime, and time of crime – are delivered through a secure Data Pipe from Client’s RMS to the PredPol Service. Predictions are then generated and made available anytime a user logs in to the system.

□ TERMS

1. Financial Parameters:
 - a. Merced Police Dept will purchase three years of PredPol Predictive Service +GPS Dosage Feature at a cost of \$44,700.00. PredPol will waive the \$2,000 set up fee and CrimeWhere public crime mapping will be provided at no cost.
 - b. There are no additional fees for training, no individual license fees, no need for new hardware or new hiring, and no limit on the number of Client users or prediction views.
2. Non-Financial Parameters: Client agrees to make reasonable efforts to support PredPol by doing the following during the term of this Agreement:
 - a. Provide IT staff and services as needed during the initial setup of the Data Pipe;
 - b. Deploy and utilize the PredPol tool according to PredPol’s recommended best practices;
 - c. Generally support the deployment of any new features/tools, including providing user feedback, as requested by PredPol;

EXHIBIT A



- d. Provide access to relevant databases and shared databases to which Client has access, pursuant to all applicable laws and access agreements;
3. **Initial Services Term & Renewal:** This Agreement is for an Initial Services Term of three years with annual payments due according to the terms set forth herein. Renewal following the Initial Services Term will be determined by both Parties in writing sixty (60) days prior to the end of the Initial Services Term.
4. **Term:** This Agreement is effective when signed by both Parties and will terminate on the end of the Services Term

□ SCOPE OF WORK

Scope of Work: PredPol shall provide services, resources, and tools to support a successful implementation of the PredPol Services to support Client's efforts to suppress, deter, and reduce crime. The scope of work will include the following:

- Setup and integration of a secure Data Pipe from Client's RMS to PredPol Service. Data to be transferred is restricted to fields related to type of crime, place of crime, and time of crime.
- Provide electronic transfer of 500' x 500' predictive locations (latitude and longitude data) identified by PredPol to Client for electronic consumption by Client's computer systems.
- Access to historical crime mapping for crime types as defined and agreed with the Client.
- Provide access to the Radar tool that details hit scoring.
- Provide GPS Dosage tool which uses AVL data to track use of PredPol.
- A "train the trainers" session in operations and best practices. Training takes one hour. PredPol also provides client support and training materials online through the Support Portal.
- Full access to the Services by Client, including unlimited Client users, prediction views, and report generation.
- Provide online, and email support to Client for technical and operational use.

□ DEPLOYMENT STEPS AND PROPOSED TIME SCHEDULE

Implementation of predictive policing for Client will include the following steps and proposed schedule:

- **Setup of the PredPol Services using Client's existing RMS database.**
Timeline for setup is dependent upon availability of the Client's technician for installation of the Predpol data pipe. Once an agency provides initial data transfer and ensures the correct data mapping is in place, the PredPol system can be ready to generate predictions within two weeks.
- **Technical Implementation Steps.**
Technical Implementation depends on Client IT resource availability. The steps are as follows:
 1. PredPol to conduct a kickoff meeting or conference call with appropriate Client staff (as identified by the Client) upon receiving signed Agreement.
 2. Client to complete an informational form.
 3. Upon form receipt, PredPol will send installation instructions to Client.
 4. Per instructions, the Client must complete the installation of Data Pipe and complete the online setup form. PredPol staff will be available for support as needed.
 5. Upon successful installation of Data Pipe and completion of setup form, PredPol will complete initial data processing. The PredPol Service will generally be available to Client within two weeks from the completion of this step. Successful completion of this step is contingent on the Client confirming that the data mapping is correct.

The overall timeline for implementation depends on Client resource availability.

- **Electronic transfer of 500 square foot predictive locations (latitude and longitude data) identified by PredPol to Client.**
Upon completion of technical implementation, Client will receive the URL and login information of their PredPol site via email for their review. Upon Client signoff, PredPol will work with Client to schedule training.
- **Training.**
PredPol recommends a "train the trainers" approach for command staff, supervisors, and analysts once the system goes live. This provides a better understanding of the system and allows new officers to be trained as needed. Training takes one hour, including questions and answers. PredPol also provides online training materials and email support.

PROPOSED PROJECT SCHEDULE	
Deliverable/Task	Target Date
Effective Date	Date of contract signature
Kickoff call	Within 7 days of Effective Date
Client completion of information form	Within 7 days of kickoff call
Installation of Data Pipe and completion of setup form	Within 30 days of Effective Date *
1 st Payment in the amount \$30,000	July 30, 2015
Service Commencement Date	2 weeks after installation of Data Pipe and completion of setup form *
Training	Within 14 days of Service Commencement Date
Remaining balance invoice	July 1, 2016
Remaining balance payment in the amount of \$14,700	July 30, 2016

* These dates are dependent on Client's completion of Data Pipe installation and setup form.